

UNITED STATES BANKRUPTCY COURT

3 | EASTERN DISTRICT OF NEW YORK

4 Case No. 15-41069-cec

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6 | In the Matter of:

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8 | BRIAN DENKER,

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Debtor.

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B E F O R E:

22 | HON. CARLA E. CRAIG

23 CHIEF U.S. BANKRUPTCY JUDGE

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2 [9] Order Scheduling Status Conference for the purpose of
3 determining an appropriate schedule for the proper
4 administration of this case.

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BRIAN DENKER

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1 P R O C E E D I N G S

2 THE CLERK: Number 9 on the calendar, Brian Denker.

3 MR. MORRISON: Good afternoon, Your Honor. Lawrence
4 Morrison for the debtor.

5 MR. CURTIN: William Curtin for the United States
6 Trustee.

7 MR. MORRISON: The debtor is an individual -- first of
8 all, today is the status conference for the -- the first status
9 conference in the Chapter 11 case.

10 THE COURT: Um-hum.

11 MR. MORRISON: The debtor has concluded its IDI,
12 concluded its 341(a) meeting. The debtor is an individual. He
13 has some health problems. He suffered a stroke.

14 What had happened was, he's engaged in a divorce
15 currently, with his husband, who procured (sic) credit card
16 debt without his knowledge, and he's unable to address it at
17 this time. So the bankruptcy will allow him time to figure out
18 a payment plan for the credit card debt that's going -- there's
19 a stay in effect of the matrimonial --

20 THE COURT: Well, is -- wouldn't he not be able to
21 discharge this credit card debt?

22 MR. MORRISON: It's not clear at this point, because
23 they're spouses, and it's not clear whether or not there was
24 really apparent authority for the credit cards to be issued or
25 not, because they were married. So we're looking into that.

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1 But it's just not clear whether or not --

2 THE COURT: But if -- to the extent he has liability,
3 why would his liability not be discharged?

4 MR. MORRISON: No, no, I'm not saying that -- it's not
5 clear. So we're -- we're not saying they would not be
6 discharged. We want to -- we're taking a position that the
7 liability should never have been -- there should be no
8 liability.

9 THE COURT: That he, as a legal matter, doesn't have
10 liability separate and apart from any question of it being
11 discharged?

12 MR. MORRISON: That's what we're trying to say.

13 THE COURT: So you've -- and you've listed these
14 credit card companies on your schedules, nevertheless?

15 MR. MORRISON: Yes. Yes, Your Honor.

16 THE COURT: Okay. So what is this -- what's with the
17 real property?

18 MR. MORRISON: So we are going to make an amendment to
19 the schedule. The real property is at the -- so it's in
20 Huntington. The debtor lives in an apartment here in Brooklyn.

21 THE COURT: Right.

22 MR. MORRISON: The Meshulam Apartments. I have to
23 amend the schedules, because there's debt of about over 400,000
24 dollars on the Huntington property.

25 THE COURT: So and is he -- how is he claiming an

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1 exemption in this property?

2 MR. MORRISON: That also has to be amended because the
3 posi -- it's clear now that his homestead really is in Brooklyn
4 and not in -- and not in Huntington. Those are the two
5 amendments I was going to tell Your Honor we are going to make.

6 THE COURT: Why is this an 11 and not a 7?

7 MR. MORRISON: Because he has a business. He wants to
8 pay -- first of all, he wants to -- to the extent he has
9 obligations -- he's a rabbi. He feels he has a moral
10 obligation to pay them. He doesn't want to go the Chapter 7
11 route.

12 THE COURT: Every time I hear that, I don't believe
13 it. Sorry.

14 MR. MORRISON: Well, he is -- if you would -- it's
15 unfortunate he's not here. He's a very sympathetic person,
16 very sick. He had a stroke. He really -- I have many clients
17 in my twenty years of practice. He really does seem to mean
18 well.

19 THE COURT: I'm sure he means well, but it sounds to
20 me like he belongs in Chapter 7.

21 MR. MORRISON: It's possible. I mean, I will discuss
22 the option with him. I will let him know the benefits of it.
23 I mean, as Your Honor obviously knows, we can always do that on
24 our own. But we would, in the interim period, like to try to
25 make this work.

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1 THE COURT: Okay. What's his business?

2 MR. MORRISON: So he's a -- he is a consultant.

3 He's -- what he does is he assists small businesses in their
4 business plans and marketing. He's more of a marketing person.
5 Plus he has a very small business. When he performs his
6 services for couples, he charges a small fee for their Chuppas
7 which are required. So those are the two businesses he has.

8 THE COURT: So is this -- are you concerned that this
9 business has a value that would be -- that the trustee would
10 seek to monetize?

11 MR. MORRISON: That's one possibility. But the client
12 was adamant that he wants to try to pay his obligations.

13 THE COURT: Okay.

14 MR. MORRISON: So I --

15 THE COURT: All right.

16 MR. MORRISON: -- I'm not going to -- I didn't want to
17 force a 7 down his throat.

18 THE COURT: All right. I got it.

19 Did you have something you wanted --

20 MR. CURTIN: Your Honor, we had a lengthy conversation
21 about this at the 341 -- Mr. Morrison's associate was there.
22 He wasn't there. But the consulting business is not actually
23 his. He's an employee of that business. The two businesses
24 that he owns, they're related. One is his rabbi services and
25 the other one is the Chuppa rental business. Neither of them

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1 are making any money, at the moment.

2 The -- apparently the Chuppa business is not -- can't
3 be run, because he's been shut out of the Huntington property
4 by his soon-to-be former husband. So one thing I would agree
5 with is that the debtor is a very sympathetic figure. He's
6 obviously sick and was not -- was very resistant to the idea of
7 a Chapter 7.

8 THE COURT: Um-hum.

9 MR. CURTIN: So that may be the road where this goes,
10 but it may just take some time.

11 THE COURT: Um-hum. Okay.

12 MR. CURTIN: But in the meantime, Mr. Morrison's
13 office has provided us everything that they're required to and
14 appeared every time they were supposed to appear for the
15 Chapter 11. So we'll look at the first couple of operating
16 reports and decide what we're going to do. But --

17 THE COURT: When was this filed?

18 MR. CURTIN: It was filed two months ago. I'll give
19 you the exact date. It was March 13th.

20 THE COURT: Okay. So let me give you another date,
21 then.

22 MR. CURTIN: Okay.

23 MR. MORRISON: Thank you.

24 THE COURT: July?

25 MR. CURTIN: That's fine, Your Honor.

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1 MR. MORRISON: That makes sense.

2 THE COURT: July 15?

3 MR. MORRISON: Yes.

4 THE COURT: At what time, please?

5 MR. MORRISON: 2:30; is that acceptable?

6 THE CLERK: 3 o'clock.

7 THE COURT: You want to do 3 o'clock?

8 THE CLERK: Yes.

9 THE COURT: Is 3 o'clock all right?

10 MR. MORRISON: Perfect.

11 THE COURT: Okay.

12 MR. MORRISON: Thank you.

13 THE COURT: Um-hum.

14 (Whereupon these proceedings were concluded at 3:04 PM)

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2 C E R T I F I C A T I O N

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4 I, Penina Wolicki, certify that the foregoing transcript is a
5 true and accurate record of the proceedings.

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Penina Wolicki

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Date: June 15, 2015

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